

MERIT
1 FREE PACK
NATIONAL COUPON OFFER

*copying file
(green)*

<u>VEHICLE</u>	<u>FSI w/ SWEEPS</u>	<u>ROP</u>	<u>SUPP w/CARD</u>
CIRCULATION (M)	46,390	55,000	48,948
AVG. EST. REDEMP.	10.0%	5.0%	4.0%
TOTAL REDEMP. (M)	4639	2750	1958
COMP. REDEMP.	60%	60%	60%
COMP. REDEMP. (M)	2783	1650	1175
EST. CONVERSION	4.5%	4.5%	4.5%
# CONVERTERS (M)	125	74	53
<u>COST/PAYBACK ANALYSIS</u>			
DISTRIBUTION COST (M)	\$3,000	\$2,000	1,688
SWEEPS COST (M)	\$500	-	-
REDEMPTION COST @ 1.35 (\$1.20 PRODUCT .15 HANDLING)	\$6,263	3,712	2,643
GROSS COST (M)	\$9,763	\$5,712	\$4,331
<u>LESS MARGIN FROM COMPETITIVE PURCHASE</u>			
1 PACK @ \$.325	\$ 904	\$ 536	\$ 382
NET COST	\$8,859	\$5,176	\$3,949
NET COST/TRIER	3.18	3.13	3.36
NET COST/CONVERTER	70.87	69.94	74.50
APPROX. PAYBACK PERIOD	6 MOS.	6 MOS.	7 MOS.

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